



**A person who keeps patience
is sure to win in share market.**



Daily Research Reports



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Wealth Creator thru Systematic Investment

Good Morning & Welcome to Friday's trading session at Dalal Street, dated 18th November 2022.

In early action, SGX Nifty is seen trading water, indicating Nifty will struggle for direction in today's trade.

Well, if last two days' trading action is any indication, then we suspect – Nifty is likely to trade volatile and choppy in today's trade, and probably with a slight negative bias.

Blame it to fading investors' enthusiasm about a potential slowdown in interest-rate hike from the Federal Reserve.

The global cues are negative this Friday morning after St. Louis Fed President James Bullard said that the federal funds rate could reach 7%, which is above current market expectations. He also added that recent rate hikes have only had a limited impact on inflation so far and the Fed has more work to do in lowering the rate of inflation.

The other key headwinds:

- 1) North Korea warns the US that it will face ruthless military activity against its joint drills in its region.
- 2) Investors were also wait for more clarity on Russian military attacks on Poland as statements from US President Joe Biden and Polish President Andrzej Duda has created vagueness.

Now, before we get into details, here is the preferred trade on Nifty and Bank Nifty:

Nifty (18344): Buy on dips between 18250-18300 zone. Stop at 18101. Targets 18605/18751. Aggressive targets at 19251 zone.

Bank Nifty (42458): Buy between 41900-42000 zone. Stop at 41665. Targets 42750/43000. Aggressive targets at 43750 zone.

Outlook for Friday: Buy on dips should be the preferred strategy.

We will spy with one big eye if investors will look to celebrate the 3-big positive catalysts:

- 1) The tumbling US Dollar index (down around 7% to 107 levels) from the multi-decade peak of 114 hit on the backdrop of Fed's fight against inflation.

INDICES		
Nifty	18344	-0.36%
Bank Nifty	44458	-0.18%
Nifty Auto Index	12927	-1.38%
Nifty FMCG Index	43845	-0.15%
Nifty Infra Index	5284	0.13%
Nifty IT Index	29681	-0.90%
Nifty Media Index	2000	-1.00%
Nifty Midcap Index	8597	-0.90%
Nifty Metal Index	6456	-0.09%
Nifty Pharma Index	12948	-0.39%
Nifty Reality Index	448	0.04%
Nifty Smallcap Index	9664	-0.34%
Sensex	61751	-0.37%
SGX Nifty	18356	-0.11%

Outlook for the Day	
	Buy on dips.

Nifty Outlook	
Intraday	Positive (18255 -18550)
Medium Term	Positive (17100-19000)
Long Term	Positive (14500-19501)

Key Levels to Watch	
Nifty Support	18311/18201
Nifty Resistance	18605/19251

Pivot Level	
Nifty	17677

- 2) A sluggish Crude Oil price below \$84 a barrel.
- 3) Nifty should also blossom as FIIs are seen making a solid comeback to Indian markets.

After 2-days of muted action, FIIs in yesterday's trade bought shares worth Rs. 618 crores.

This November, FIIs have bought to the tune of Rs. 13,590 crores.

TOP SECTORS:

Bullish Sectors: IT, BANK NIFTY

Bearish Sectors: MEDIA, PHARMA, AUTO, METALS, REALTY

STOCKS IN FOCUS:

BULLISH VIEW: ABB, PUNJAB NATIONAL BANK, HERO MOTOCORP, NAVIN FLUORINE, HINDUSTAN AERONAUTICS, SIEMENS, ABB, RBL BANK, LARSEN, BHARTI AIRTEL, BHARAT ELECTRONICS

BEARISH VIEW: DELTA CORP, EICHER MOTORS, AARTI INDUSTRIES, METROPOLIS HEALTHCARE, INFO EDGE, AND MUTHOOT FINANCE.

Our **chart of the day** is bullish on SBI, BEL, ABB and RBL BANK with an interweek perspective.

The 1 stock to buy right now: BEL (CMP 110.60): Buy at CMP. Stop 105. Targets 112/117. Aggressive targets at 125. (Intermonth Strategy). Rationale: Breakout Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technical Strategy

INFOSYS	1603
Action	BUY
Target	1751
Support	1551/1501
Resistance	1675/1751
Holding Period	30-40 DAYS

Incorporated in the year 1981, Infosys is a global leader in next-generation digital services and consulting and enables clients in more than 50 countries to navigate their digital transformation.

Infosys is a NYSE listed global consulting and IT services company with more than 345k employees. From a capital of US\$250, the firm has grown to become a US\$ 17.53 billion (LTM FY23 revenues) company with a market capitalization of approximately US\$ 71.41 billion.

Buy at CMP, and on dips between 1550-1560 zone with targets at psychological 1650 mark and then aggressive targets at 1721 mark with stop at 1469 mark.

Nifty: Technically, Nifty's biggest make-or-break intraday support now placed at 18257 mark. Only below 18077 mark, Nifty likely to slip quickly to 17750-17900 zone.

For the day, buying on dips shall be the preferred strategy. Expect momentum buying to lift Nifty above its upside targets at 18605.

Nifty's 200 DMA at 17013 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty was seen consolidating, down 0.18%, but the positive takeaway was that the benchmark was seen flirting with its fresh all-time-high at 42611.75 mark. PSU Bank index inched up 0.79% higher while Nifty Private Bank index slipped 0.13%.

The positive takeaway is that the recent sequence of higher high/low remains intact for Bank Nifty on all-time-frames.

Intraday support for Bank Nifty seen at 41900 mark. The biggest interweek support for Bank Nifty seen at 40819 mark.

For the day, buying on any sharp declines shall be the preferred strategy.

Bank Nifty's 200 DMA at 37205 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** for November series suggests Nifty is likely to be in a trading range of 18000-19000 zone. Maximum Call OI is at 19000 followed by 19500 strike price. So, the 19000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18000 levels followed by 18300 levels. Call writing was seen at 19000 and then at 19500 strike price, while there was meaningful Put writing at 18300 and then at 18000 strike prices.

The Volatility index was hovering well below the 20 levels now at 14.88.

In Friday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net buyers worth Rs. 3958 crores and Rs 616 crores respectively.

In Monday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net buyers worth Rs. 1089.40 crores and Rs 47.20 crores respectively.

In Tuesday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net sellers worth Rs. 221 crores and Rs 549 crores respectively.

As per Wednesday's provisional data available on the NSE, FIIs sold shares worth Rs. 386.06 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 1437.40 crores

In Thursday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net buyers worth Rs. 618.40 crores and Rs 449.20 crores respectively.

The Put-Call Open Interest Ratio is at 0.90 for Nifty.

Stocks in Ban for today's trade: BALRAMCHIN, BHEL, DELTACORP, GNFC, IBULHSGFIN, SUNTV.

ECONOMIC CUES:

India's retail inflation has eased to a three-month low at 6.77% in October as food inflation decelerated.

That said, the easing is unlikely to force a pause in the RBI's rate hiking cycle.

Retail inflation has remained outside of the central bank's Monetary Policy Committee's tolerance band of 2-6 per cent for more than three successive quarters, marking the panel's failure to achieve its legally-mandated inflation target.

GLOBAL STOCK MARKETS:

Overnight, US stocks mostly traded with negative bias amid concerns that the Federal Reserve will continue its aggressive rate hikes in the months ahead. Modest advance in Treasury bond yields were also witnessed as investors debated the impact of solid retail sales data on the broader inflation dynamic in the world's largest economy.

James Bullard, the St. Louis Federal Reserve President, told an event in Louisville that this year's rates hikes, which have included four consecutive increases of 75 basis points in the Fed's benchmark rate, "have had only limited effects on observed inflation."

The current rate, which sits between 3.75% and 4%, is well below the "sufficiently restrictive" level the Fed needs to reduce inflation, Bullard said.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty ends on a negative note as geopolitical risk aversion escalates.

Nifty (-66, 18344).

Sensex (-230, 61751)

For most of the session, Nifty was seen trading flat - bouncing between positive and negative territory but the benchmark witnessed steep fall towards the end of the session after North Korea warns the US that it will face ruthless military activity against its joint drills in its region.

Investors were also seen spying with one big eye for more clarity on Russian military attacks on Poland as statements from US President Joe Biden and Polish President Andrzej Duda has created vagueness.

Long story short: Profit booking was the theme amidst overbought technical conditions.

Top Index Gainers: TATA CONSUMER (+1.94%) ADANI ENTERPRISES (+1.53%) LARSEN (+1.27%)

Top Index Losers: TITAN (-2.28%) M&M (-2.15%) TATA MOTORS (-2%)

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Nifty PCR 0.90

BANK NIFTY PCR 1.01

INDIA VIX 14.88 (-1.47%)

Nifty MidCap (-0.27%, 8574)

NiftySmallC (-0.44%, 9654)

BANK Nifty (-0.19%, 42458)

Nifty IT (-0.99%, 29656)

USD/INR (+0.16%, 81.61)

TOP PICKS (F & O)

It's like having investment binoculars !

BEL & RBL Bank: Our preferred bets with an inter-month perspective.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ABB	3122	3013	2945	3293	3466	Positive	Buy at CMP. Stop 2993. Targets 3207/3293. Aggressive targets at 3466. (Intermonth Strategy). Rationale: Rebound Play.
BEL	110.6	106	102.5	112	125	Positive	Buy at CMP. Stop 105. Targets 112/117. Aggressive targets at 125. (Intermonth Strategy). Rationale: Breakout Play.
BHARTIARTL	846	822	799	867	901	Positive	Buy at CMP. Stop 817. Targets 867/901. Aggressive targets at 925. (Intermonth Strategy). Rationale: Momentum Play.
MCDOWELL	882	863	837	913	1001	Positive	Buy at CMP. Stop 831. Targets 913/941. Aggressive targets at 1001. (Intermonth Strategy). Rationale: Momentum Play.
RBL BANK	145	139	130	153	161	Positive	Buy at CMP. Stop 137. Targets 153/157. Aggressive targets at 163. (Intermonth Strategy). Rationale: Momentum Play.

Derivatives Strategies

Future Call: BUY UPL NOVEMBER FUTURES at CMP 769.85. Targets at 781 and then at 794 zone. Stop: 756. Holding Period: Intraday. Analyst's Remark: Momentum Play. (UPL NOVEMBER Futures CMP 769.85)

Option Call: BUY NIFTY 24th NOVEMBER CE Strike Price 18500 at CMP 58.85. Maximum Loss: ₹ 2,942.5 /-. Profit: Unlimited. Stop: Exit Call Option if NIFTY moves below 18551. (NIFTY NOVEMBER Futures CMP 18415)

Market Summary:

- Nifty November Futures ended Thursday's session at a premium of +11 vs premium of +36.
- The 24th November expiry Put-Call Open Interest Ratio was at 0.89 for Nifty whereas it was 1.00 for Bank Nifty.
- The 24th November expiry Put-Call Volume Ratio was at 0.90 for the Nifty and 1.09 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 19000 Strike Price, followed by 19500 Strike Price for 24th November Series. Short Buildup was seen at strike prices 18000-19300.
- Maximum Put Open Interest (OI) was seen at strike price 18000 followed by 18300 strike prices for 24th November series. Long Buildup was seen at strike prices 17800-18300.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 43000 Strike Price and Maximum Put Open Interest stands at 42000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs bought shares worth Rs. 618.37 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 449.22 crores.
- Long Buildup: BEL, GMRINFRA, ICICIBANK
- Short Buildup: BANDHANBANK, KOTAKBANK, INDIACEM, ABFRL.
- Short Covering: POWERGRID, AXISBANK, UPL, PFC.
- Long Unwinding: SAIL, TATAPOWER, APOLLOTYRE.
- Stocks banned in F&O segment:** BALRAMCHIN, BHEL, DELTACORP, GNFC, IBULHSGFIN, SUNTV.
- New in Ban: NIL.
- Out of Ban: NIL.

Changes in Open Interest (OI) in yesterday's trade.

Nifty Spot	18409.65 (+0.034%)
Bank Nifty Spot	42535.30 (+0.38%)
VIX	15.10 (+3.14%)
Premium	+36 vs +79
Nifty Future OI	1.2 crores (+0.20%)
Bank Nifty Future OI	27.97 lakhs (+14.35%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	4364.66	6571.83
NSE Cash Vol. (Rs. in Cr)	58,289.81	68,044.89
NSE Derivative Vol. (Rs. in Cr)	22,08,778	15,31,396

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	74,235	7,310
Stock Future Volumes	3,57,710	25,553
Index Option Volumes	2,10,32,817	21,49,746
Stock Option Volumes	3,40,749	26,168
Total	2,18,05,511	22,08,778

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18000	15.79 (-37%)
18100	4.18 (-39%)
18200	5.17 (-33%)
Puts	in lakhs (% Change)
17700	23.56 (-23%)
17800	27.26 (-32%)
17900	32.51 (-45%)

Buying on dips preferred for Dow Jones

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1763	1751	1727	1801	1827	Positive	Gold prices witnessed a huge rebound. Interweek Strategy: Buy at CMP. Targets 1801/1827 mark with stop at 1751.
SILVER (\$)	20.99	19.46	18.00	22.00	23.75	Negative	Silver prices underperformed Gold. Interweek Strategy: Sell at CMP. Targets 19.46/18/17.25 mark with stop at 22.25.
WTI CRUDE OIL (\$)	82.03	79	74	86	91	Negative	Establish sell positions at CMP. Targets 79/74/71 zone. Stop at 87.
EUR/USD	1.0363	0.8501	0.6750	1.0251	1.0551	Positive	Interweek Strategy: Establish long positions at CMP . Targets 1.0251/1.0551 with stop at 0.987.
US Dollar Index	106.60	108.00	104.00	112.00	115.00	Negative	Interweek Strategy: Sell at CMP. Targets 104/101 with stop at 112.
DOW JONES	33578	33451	33001	34001	34201	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 34001 mark and then at 34201 with stop at 33451.

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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No.
• Firm interest of the stock / Instrument (s): - No.

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